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## BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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AZ CORP COMMISSION  
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MAR 31 2003

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IN THE MATTER OF THE )  
APPLICATIONS OF H2O, INC. AND )  
JOHNSON UTILITIES COMPANY FOR )  
AN EXTENSION OF THEIR )  
CERTIFICATES OF CONVENIENCE AND )  
NECESSITY. )

DOCKET NOS. W-02234A-00-0371  
WS-02987A-99-0583

IN THE MATTER OF THE APPLICATION )  
OF JOHNSON UTILITIES, L.L.C., DBA )  
JOHNSON UTILITIES COMPANY, FOR )  
AN EXTENSION OF ITS CERTIFICATE )  
OF CONVENIENCE AND NECESSITY TO )  
PROVIDE WATER AND WASTEWATER )  
SERVICE TO THE PUBLIC IN THE )  
DESCRIBED AREA IN PINAL COUNTY, )  
ARIZONA. )

DOCKET NO. WS-02987A-00-0618

IN THE MATTER OF THE APPLICATION )  
OF DIVERSIFIED WATER UTILITIES, )  
INC. TO EXTEND ITS CERTIFICATE OF )  
CONVENIENCE AND NECESSITY. )

DOCKET NO. W-02859A-00-0774

IN THE MATTER OF THE APPLICATION )  
OF QUEEN CREEK WATER COMPANY )  
TO EXTEND ITS CERTIFICATE OF )  
CONVENIENCE AND NECESSITY. )

DOCKET NO. W-01395A-00-0784

**ERRATA TO DIVERSIFIED WATER UTILITIES, INC.'S  
OPPOSITION TO JOHNSON UTILITIES COMPANY'S APPLICATION  
FOR EXTENSION OF TIME TO COMPLY**

Diversified Water Utilities, Inc., by and through its attorneys, hereby files  
page 8 of Exhibit C Opposition to Johnson Utilities Company's Application for Extension  
of Time to Comply. The attached pages were inadvertently omitted from the Opposition  
filed on March 18, 2003.

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Respectfully submitted this 31st day of March, 2003.

MARTINEZ & CURTIS, P.C.



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1 PROOF OF SERVICE AND  
2 CERTIFICATE OF MAILING

3 I hereby certify that on this 31st day of March 2003, I caused the foregoing  
4 document to be served on the Arizona Corporation Commission by hand-delivering the original  
and twenty (21) copies of said document to:

5 Docket Control  
6 Arizona Corporation Commission  
7 1200 West Washington Street  
Phoenix, Arizona 85007

8 With copies of the foregoing mailed and/or hand-delivered this 31st day of March 2003 to:

9 Marc Stern, Administrative Law Judge  
10 Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

11 Christopher Kempley, Chief Counsel  
12 Legal Division  
13 Arizona Corporation Commission  
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15 Utilities Division  
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Intervenor

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# EXHIBIT C

### Wastewater System

The Johnson Ranch Wastewater System, Inventory #103081, is currently in total compliance with ADEQ. In the past, ADEQ issued a Consent Order, Docket No. P-105-99, and an Amendment to Consent Order on May 12, 1999 and October 8, 1999, respectively, for one major violation. However, on April 26, 2000, ADEQ signed a "Satisfaction and Termination of Consent Order" stating that the Johnson Ranch wastewater system had demonstrated to the satisfaction of ADEQ, that all terms of the Consent Order and Amendment to Consent Order had been completed.

### Arizona Department of Environmental Quality Conclusions

In order to unconditionally recommend approval of any CC&N extension requests, Staff reviews evidence of applicants' ability to operate in full compliance with ADEQ rules and to deliver water that does not exceed any maximum contaminant levels and meets the water quality standards of the Safe Drinking Water Act.

As discussed above, Johnson has had a history of problems meeting the compliance requirements of ADEQ. Figure 3C attached is a Staff Engineering compilation of Johnson's ADEQ violations. This compilation was made from three ADEQ Consent Orders pertaining to Johnson Ranch Water System, Sun Valley V Water System and the Johnson Ranch Wastewater System. Johnson has been fined by ADEQ.

Staff is concerned with Johnson's past ADEQ problems considering that their CC&N extension request is for over 15,000 additional acres. Staff is concerned over the ability of Johnson to meet and maintain ADEQ compliance with the granting of such large certificated areas.

### Other Compliance Issues

#### ACC Past Decisions

1. Decision No. 60223 – This Decision granted the Company the initial CC&N (approximately five Sections) and listed nine (9) compliance items. Only one (1) of the nine compliance items is still pending, which relates to a rate review filing that will be due on May 27, 2001.
2. Decision No. 61069 – This Decision granted a CC&N extension (approximately 7-1/2 Sections).
3. Decision No. 62087 – This Decision conditionally granted a CC&N extension (approximately 33-1/2 Sections). See Discussion of Decision No. 62087 below.